

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY
1979 S. State Street
Dover, DE 19901

Pursuant to 29 Del. Code 10004, the Board of Directors of the Delaware Manufactured Home Relocation Authority shall convene a Board Meeting on July 24, 2025 commencing at 1:30 P.M. at 1979 S. State Street, Dover, DE.

Minutes of the July 24, 2025 Board Meeting

Authority: Jerome Rogers
Richard Hrycyshyn
George Meldrum
William Dunn
Andy Strine
Patrick Malone (Non-Voting Member)

Legal Counsel: Melissa Rhoads

Gregory Sutton – Executive Director
Jane Sabo – Assistant to the Executive Director

Other: Jen Allen, FSMHA
Joyce O’Neal – DMHOA
Stacy Shelton - DMHOA

I. Call to Order:

Mr. Rogers called the meeting to order at 1:30 p.m. Mr. Dunn was absent. There was a quorum. Mr. Hrycyshyn introduced the Board to Joyce O’Neal, Interim President of DMHOA, and Stacy Shelton, Executive Director of DMHOA.

II. Review and Approval of Minutes:

The June 26, 2025 minutes were reviewed. A motion was made by Mr. Strine and seconded by Mr. Meldrum to approve the minutes as written. All were in favor and the motion passed 4-0.

III. Chair’s Report:

- Mr. Rogers referenced a previous discussion regarding HB193 and the language in it. According to the statute, ½ of the monthly assessment is the obligation of the landlord and ½ is the obligation of the tenant. Since HB 193 changes the amount of assessment to \$1.50 for the tenant, which is then redirected to the Delaware Manufactured Homeowner Attorney Fund, the landlord is credited \$1.50 per rented lot. There were concerns about the language around credit to the community owners and redirecting the entire tenant’s portion of \$1.50 to the attorney fund. It was finally decided to leave the credit language as is. The DEMHRA attorney, Ms. Rhoads added that this Board does not have the ability to change the language written by the legislators. Mr. Sutton added that he will notify the Division of Revenue to update the payment coupons by January 1, 2026 to reflect the change. This will be discussed in more detail later in this meeting.
- Mr. Rogers will talk to the Governor regarding his re-appointment which expires on September 29, 2025.

IV. Executive Director Report:

- Mr. Sutton was contacted by Crystal Schenk, a resident of Lazy Pine Retreat MHP. The Board previously approved her application for relocation assistance. However, the mover she was going to use informed her that they required payment up front and that she would have to get another contractor to connect her electricity and plumbing. She was advised that she would have to submit a supplemental request for a mover who can perform the entire job and that DEMHRA would pay the mover after she confirmed that her home had been moved and set up.
- Mr. Sutton was informed that there was a new customer engagement specialist with the DTI. A Microsoft teams meeting was set up for Monday, July 28th to discuss their services and to relay any concerns, if any, we might have with their services.

V. Legal Counsel's Report:

Of the four matters assigned for litigation at the last meeting, two have paid. The other two (Oakway and Quality Homes) remain. THP was also referred at the last meeting and was sent a demand letter. Oakway, Quality Homes, and THP have not responded and will be referred for further legal actions.

The Exantus judgement was satisfied and all of the documents from the court pertaining to that case have been provided to the new owner of the park, and for our files.

VI. Approval of Financial Matters:

A. Recent Activity Report (For Informational Purposes Only).

Mr. Sutton reviewed the financial report which was for informational purposes only. It will be posted on the DEMHRA website.

B. Approval of Invoices:

Tighe & Cottrell for June legal services in the amount of \$2,302.60.

Moore & Rutt for legal services for Docket 02-21 (Ridgewood Manor) in the Amount of \$80.00.

A motion was made by Mr. Hrycyshyn and seconded by Mr. Strine to approve all the above invoices collectively. The motion passed 4-0.

VII. Reports:

A. Delinquent Parks Report:

As of the July 1, 2025 report, there were no new delinquencies. An email was sent to all communities on July 2, 2025 reminding them that the second quarter payment was due by July 20, 2025.

B. Arbitration (Update on Status of Open Dockets):

Docket # 02-2021, Ridgewood Manor. The arbitrator, Mr. Sharp reported that the parties are still working on the final settlement.

C. Rent Increase Certifications (June):

There were 35 rent increase certifications for the month of June.

Mr. Sutton added that if a landowner raises the lot rent over the CPI-U, they are required to have DEMHRA approve the date and time of a meeting that must be held with their tenants to justify the reason(s) for the rent increase over the CPI-U. DEMHRA is not required to certify any increase in lot rent resulting from these meetings.

D. Update on Parks for Sale:

Holly Oak has a tentative settlement date of September 15, 2025.

Mr. Sutton added that a checklist will be sent to new owners of communities with information on what they are required to do to register with DEMHRA and the Division of Revenue. Ms. Jen Allen is informed when a community is sold, and who the new owner is.

E. Compliance Investigator Report:

No Report.

VIII. Unfinished Business:

A. Update on Parks Going Through Change in Use:

1. Timberlane – 105 affected tenants, 88 applications submitted, 17 remaining
2. Lazy Pine Retreat - 7 affected tenants, 4 applications submitted, 3 remaining
3. Lake Forest - 26 affected tenants, 11 applications submitted, 14 remaining
4. Lakeland – Change in use is complete except for demolitions

B. Lot Rent Assistance Program Update:

1. DEMHRA to complete draft by July 1st.

The draft of the letter that will be sent to all communities is finished ahead of the November 2025 date.

Basically, it defines the program, the application process, and the documentation required. Forms are included to complete and report the data to DEMHRA so that it can be incorporated into a spreadsheet that will be sent to the legislators each January. As one year of data is required, the first report to the legislators will be due by January 31, 2027. The letters will be sent to all community owners in September, including those communities with less than 26 tenants, since those communities can still participate in the lot rent assistance program. Similar to the lot rent increase violation letters, there will be a line to check off that they have notified their tenants about the lot rent assistance program.

2. Review by the Board:

Mr. Sutton will email the draft of the letter to the Board for their review prior to it being sent to the communities.

IX. New Business:

A. Add Increasing the Trust Fund Cap to Policies & Procedures:

This has been updated in our policies and procedures. Mr. Rogers added that the Board has the flexibility to raise or lower the contributions, and even though the trust fund cap has been lifted, it still makes sense to slow down the growth of the fund overall.

Mr. Rogers opened the discussion regarding the landlord and tenant contributions. Mr. Strine proposed lowering the landlord portion of the monthly assessments to zero, and to keep the tenant portion at \$1.50 which will subsequently be transferred to the attorney fund.

Mr. Strine also added that the Trust Fund is reaching \$15,000,000, and amount of money going into the Trust Fund from the interest earned keeps the fund stable. DEMHRA still has the flexibility to adjust the Trust Fund contributions as necessary.

Mr. Hrycyshyn disagreed with Mr. Strine's proposal. He suggested that the landlord and tenants each contribute \$0.50 into the Trust Fund to ensure that there is some money going into the Trust Fund to cover future payments of relocation benefits. Mr. Strine disagreed and reiterated that the Trust Fund interest earned is enough to keep it stable, even if there is large amount paid out in future relocation benefits. He again suggested dropping the landowner portion to zero, and to leave the tenant's portion at the \$1.50.

Mr. Hrycyshyn made a motion to increase the contribution to the fund by \$0.50 for the landowner and \$0.50 for the tenants. Mr. Rogers called for a motion to vote on both Mr. Strine and Mr. Hrycyshyn's proposals.

A motion was made by Mr. Strine and seconded by Mr. Meldrum to drop the monthly landowner contribution to zero, and the tenant portion to remain at \$1.50, which will be redirected to the DOJ legal fund. The motion passed 3-0 with one opposed.

B. Approval of Applications:

1. **Timberlane:** None
2. **Lazy Pine Retreat:** None
3. **Lake Forest:**

Deborah Carter, 41 Lake Forest Circle, Felton, DE 19943

Single-wide non-Relocatable in the amount of \$12,000.00 plus \$300 reimbursement for appraisal. It was discovered there was no proof of payment of taxes or original title. Mr. Strine, as a landowner suggested the owner keep the original titles since they are required when homes are demolished. A copy of the title will be provided for DEMHRA's files. Ms. Carter will be contacted by Mr. Sutton to provide a copy of the

title and the tax payment. The application was incomplete and will be tabled until the documentation is received. The original title will be surrendered at the time the relocation check is picked up.

C. CPI-U:

The new CPI-U as of July 15, 2025 is 3.433% There is a new person responsible for the CPI-U computation. There was an error made in the first computation and the CPI-U had to be revised and re-posted. Mr. Sutton will recheck the computations of the CPI-U reports in the future.

XI. Public Comments:

Ms. Shelton from DMHOA expressed concerns that the value of homes has increased and that the relocation benefit allowances have not. She stated that many homeowners had invested a lot of money for improvements to their homes which increases the value. She stated that if a home is now worth \$200,000 or more and the community goes through a change in use, they must find a place to live. With improvements like garages and additions, many of the homes cannot be relocated and the current relocation benefits do not take this into consideration. DMHOA's position on this is that the amount of relocation benefits should be adjusted, taking into consideration that the homeowners will lose thousands of dollars in the value of their home and the improvements they made when they are forced to move. DMHOA is looking to protect the homeowners. Additionally, Ms. Shelton opined that when they legislate laws regarding manufactured home communities, it forces some landowners to do a change in use when they don't agree with the legislation. That's why DMHOA feels that that Trust Fund needs to keep growing because they don't know which communities may be going through a change in use in the future. Ms. O'Neal added that many communities are growing, the homes are becoming larger and increasing in value and DMHOA would like to see an increase in the relocation benefits paid out.

From a landowner's perspective, Mr. Strine added that the DEMHRA Board has been around for a while and understands the manufactured housing issues more than the average person does and that is why they fall under a different law. Hypothetically, if a large community closes, the reality is that a community is in a resort community, or a well-maintained and viable community, it is worth more to them than what they would realize going through a change in use. Subdivisions are usually not an option because of changing the zoning and approvals from the planning committee. He assured them that it is unlikely that these types of communities will go through a change in use. With respect to the smaller communities, usually they are not viable and the homes are older with aged infrastructure and problems with sewer and water lines. Many of these homes are less valuable than the relocation benefits paid. He stated that he doesn't have a problem looking into increasing the relocation benefit amounts.

Mr. Rogers would like to discuss this matter further, and requested it be placed on next month's agenda.

XI. Executive Session:

A motion was made by Mr. Meldrum and seconded by Hrycyshyn to end the regular meeting and go into the executive session to discuss salary increases for DEMHRA staff. All were in favor and the motion passed 4-0. The Board went into executive session at 2:40 p.m. and the Board returned to regular session at 3:04 p.m. The Board voted to increase the salaries of the DEMHRA staff with an effective date of August 1, 2025.

XII. Adjournment and Next Meeting:

As the time and date of the next meeting was set for August 28, 2025, a motion was made by Mr. Meldrum and seconded by Mr. Strine to adjourn the meeting. All were in favor and the motion passed 4-0. The meeting adjourned at 3:05 pm.

Respectfully submitted,

Gregory Sutton

Gregory Sutton

Executive Director

Pursuant to 29 Del. Code Section 10004(e)(2), this Agenda may be changed to include additional items (including executive sessions) or the deletion of items (including executive sessions) which arise at the time of the Authority's meeting.

Minutes July 24, 2025 (FINAL)